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December 19, 2002

RECEIVED

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, SW; Room TW-A325
Washington, D.C. 20554

DEC 19 2002

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: In the Matter of Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorization from Ameritech Corporation, Transferor, to SBC Communications Inc. Transferee. (CC Docket No. 98-141)

Dear Ms. Dortch:

At the request of the Wireline Competition Bureau of the Competition Policy Division, SBC Communications Inc. (SBC) is filing the attached document that was provided to the Wireline Competition Bureau on October 17, 2002. The attached document requests the staff to clarify how SBC should report and test for payment liability for Ameritech and SNET on the following three performance measures based on the interpretation of the 1.7 and 2.0 Texas Business Rules.¹

PM 13a – Trouble Report Rates-POTS

PM 13b – Trouble Report Rates Design POTS

PM 13c – Trouble Report Rates-UNE POTS

I appreciate your prompt consideration of this matter. Please call me if you have further questions.

Sincerely,

Attachment

CC: William Dever, WCB
Dennis Johnson, WCB
Ben Childers, WCB

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¹ The Texas Business Rules only apply to Ameritech and SNET. California and Nevada follow the California Business Rules.

SBC/Ameritech Merger Compliance

FCC Performance Measures

Request for interpretation

SBC Communications, Inc. (SBC) requests the FCC staff to clarify how SBC should report and test for payment liability on the following three Performance Measures (PM) based on the interpretation of the Texas Business Rules 1.7 and 2.0.

Current Situation:

Currently SBC reports and tests for payment liability on:

- PM 13a – Trouble Report Rates – POTS
(PM 13a is based on Texas Business Rule PM 37)
- PM 13b – Trouble Report Rates – Design POTS
(PM 13b is based on Texas Business Rule PM **54**)
- PM 13c – Trouble Report Rates – UNE POTS
(PM 13c is based on Texas Business Rule PM 65)

FCC PM 13a (Texas PM 37) and PM 13c (Texas PM 65)

Effective with the Texas Business Rules version 1.7, the Texas Commission approved splitting Texas Business Rule PM 37 into two measures, PM 37 and PM 37.1.

- PM 37 remained the “total trouble report rate per hundred lines” and
- PM 37.1 became the “total trouble report rate net of installation reports and repeat reports.”

Similarly, with the Texas Business Rules version 1.7, PM 65 was also split into two measures, PM 65 and PM 65.1.

- PM 65 remained the “total trouble report rate per hundred lines” and
- PM 65.1 became the “total trouble report rate net of installation reports and repeat reports.”

In addition to creating the two new measures above (PM 37.1 and PM 65.1), the tests for payment liability, for state and CLEC reporting, was transferred from the original total report rate measures to the new measures (PM 37.1 and PM 65.1). Also, PM 37 and PM 65 were changed to diagnostic measures.

FCC PM 13b (Texas PM 54)

Texas Business Rules version 2.0 rules modified Texas PM 54, by splitting it into two measures:

- PM 54 remained the “total trouble report rate per hundred lines” and
- PM 54.1 became the “total trouble report rate net of installation reports and repeat reports.”

As with the two previous measures mentioned above, under the 2.0 Texas Business Rules, tests for payment liability, for state and CLEC reporting, transferred to the newly created PM 54.1.

PM Double Jeopardy

As stated above, SBC currently reports and tests for payment liability on 13a, 13b and 13c. Each of the measure’s calculations is based on “Total Trouble Reports,” which includes Installation Reports and Repeat Reports.” In addition, SBC separately reports and tests for payment liability for “Installation Trouble Reports” in PM 5 and for “Repeat Trouble Reports in PM 11. Thus, SBC is measured twice on the same report. If “Installation” or “Repeat” trouble reports are high enough, SBC could possibly pay twice. SBC believes the intent of the performance plan is not to penalize the company by potentially paying twice for failing one measure. This potential double penalty payment can be eliminated by basing PM 13 on PM 37.1, PM 54.1 and 65.1, which are calculated net of “Installation” and “Repeat” reports.

Request for Interpretation

Should SBC

- 1.) continued to report (and test for payment liability) Performance Measures 13a, 13b and 13c using the Texas business rules for PM 37, PM 54 and PM 65 or
- 2.) for Performance Measures 13a, 13b and 13c use Texas business rules measures
 - a.) PM 37; PM 54 and PM 65 for reporting only, and
 - b.) PM 37.1, PM 54.1 and PM 65.1 for reporting and testing for payment liability

Potential SBC regions affected:

Texas Business Rules 1.7 change: AIT and SNET

Texas Business Rules 2.0 change: AIT and SNET

If directed by the FCC to report the new measures, SBC proposes that Ameritech and SNET restate results beginning with January 2002 results

SBC estimates that the voluntary payment would be reduced by approximately \$2M dollars for the reporting period January 2002 to August 2002 in the Ameritech region.

Your prompt attention to this matter will be greatly appreciated

Please call me if you have any questions.

David G. Cartwright